

# Comparison of BEA Estimates of Personal Income and IRS Estimates of Adjusted Gross Income

## New Estimates for 2003

## Revised Estimates for 2002

By Mark A. Ledbetter

THE Bureau of Economic Analysis (BEA) measure of personal income and the Internal Revenue Service (IRS) measure of adjusted gross income (AGI) are both widely used measures of household income. However, each measure is based on different concepts, and each is used for different purposes.

BEA annually publishes a comparison of these two measures in a reconciliation table. This comparison features the “AGI gap,” which is the difference between the BEA-derived estimates of adjusted gross income and the IRS estimates of adjusted gross income.<sup>1</sup> (For more information, see “Estimating the AGI Gap.”)

1. For more information about the source data and the methodologies that are used to prepare BEA-derived estimates of AGI and the AGI gap, see Mark A. Ledbetter, “Comparison of BEA Estimates of Personal Income and IRS Estimates of Adjusted Gross Income,” *SURVEY OF CURRENT BUSINESS* 84 (April 2004): 8–22.

Adjusted gross income is the key measure of individual income that is defined by the Internal Revenue Code. It is used as the basis for computing certain tax credits and itemized deductions.

BEA’s personal income estimate is a more comprehensive income measure. The personal income and outlay account records the distribution of income to the household sector and measures its value and composition in the national economy. It represents a component of a sequence of interconnected, macroeconomic flow accounts that is often used to examine trends in national economic activity.

Analysts use this comparison of personal income and adjusted gross income in a variety of ways. For example, because major changes in the tax law affect the IRS estimates of adjusted gross income, this comparison is often used by analysts to convert adjusted gross income into a consistent time series for budget and fis-

### Key Terms

**Adjusted gross income (AGI)** for Federal income tax purposes, includes all the income that is received in the form of money, property, and services and that is not explicitly exempt by law.

**Personal income** is the income received by persons from all sources. It includes income that is taxed, that is partly taxed (such as social security benefit payments), and that is tax-exempt (such as tax-exempt interest, nontaxable transfer payments, and Medicare, Medicaid, and welfare benefit payments). It is the sum of “compensation of employees (received),” proprietors’ income, rental income of persons, personal income receipts on assets, and personal current transfer receipts; contributions for government social insurance is subtracted. Personal income includes imputed income; it excludes net gains from the sale of assets (capital gains), pension benefit payments, and employee and self-employed contributions for government social insurance. For more information about personal income, see <[www.bea.gov/bea/regional/articles/spi2001](http://www.bea.gov/bea/regional/articles/spi2001)>.

“Persons” consists of individuals, nonprofit institu-

tions serving households, private noninsured welfare funds, and private trust funds.

**BEA-derived adjusted gross income** is based on IRS tabulations of data from individual income tax returns, corporate income tax returns, nonfarm sole proprietorship income tax returns, partnership income tax returns, and extrapolated estimates for tax-exempt income and for private foundation income.

The **AGI gap** is the difference between the BEA-derived adjusted gross income and the IRS adjusted gross income. The AGI gap by type of income is the difference between BEA-derived adjusted gross income for that type of income and the reallocated IRS adjusted gross income.

The **relative AGI gap** for each type of income shows the AGI gap by type of income as a percentage of the BEA-derived adjusted gross income by type of income.

**Misreporting adjustments** modify the IRS source data used in BEA’s measure of personal income. These adjustments estimate income that is underreported on tax returns and for income that is earned by individuals who do not file tax returns.

cal policy analyses or to extrapolate projections of adjusted gross income.

The components of personal income and adjusted gross income are similar. The major differences are that personal income consists of both taxable income and tax-exempt income and adjusted gross income consists only of taxable income. Personal income includes other significant items, such as misreporting adjustments, imputed income, income of nonprofit institutions serving households, the investment income of insurance carriers, and employer contributions for government social insurance, among others.

### The AGI gap for 2003

The total AGI gap for 2003, the most recent year for which AGI data are available, was \$1,041.7 billion (table 1). The misreporting adjustment, which adjusts the IRS data for underreported and unreported income, accounts for \$423.8 billion of the gap. For the remaining \$617.9 billion, no explanations are easily identifiable.<sup>2</sup>

The relative AGI gap—the gap as a percentage of BEA-derived adjusted gross income—was 14.4 percent.

2. For details, see “The AGI Gap,” in Ledbetter, “Comparison of BEA Estimates and IRS Estimates,” 10–12.

**Table A. Revisions to the AGI Gap for 2002**

[Billions of dollars]

Line <sup>1</sup>		2002
1	<b>Personal income</b> .....	<b>3.0</b>
2	<b>Less: Portion of personal income not included in adjusted gross income</b> .....	<b>3.7</b>
3	Nontaxable transfer payments .....	3.5
4	Employer contributions for employee pension and insurance funds .....	15.5
5	Imputed income in personal income .....	-22.0
6	Investment income of life insurance carriers and pension plans .....	24.9
7	Investment income received by nonprofit institutions and retained by fiduciaries .....	-5.7
8	Differences in accounting treatment between NIPAs and tax regulations, net .....	-7.2
9	Other personal income exempt or excluded from adjusted gross income .....	-5.3
10	<b>Plus: Portion of adjusted gross income not included in personal income</b> .....	<b>-17.1</b>
11	Contributions for government social insurance .....	0.1
12	Net gain from sale of assets .....	0.0
13	Taxable pensions .....	-3.0
14	Small business corporation income .....	-14.7
15	Other types of income .....	0.5
21	<b>Equals: BEA-derived adjusted gross income</b> .....	<b>-17.8</b>
22	<b>IRS adjusted gross income</b> .....	<b>0.0</b>
28	<b>Adjusted gross income (AGI) gap</b> .....	<b>-17.8</b>
30	<b>Relative AGI gap (percentage point)</b> .....	<b>-0.2</b>

1. The line numbers in this table correspond to those in table 2.

BEA Bureau of Economic Analysis

IRS Internal Revenue Service

NIPAs National income and product accounts

BEA also calculates the AGI gap by type of income (tables 1–4). The unexplained portion of the AGI gap by type of income can be calculated by subtracting the misreporting adjustment from the corresponding AGI gap estimate.

### Revisions to the AGI gap for 2002

The AGI gap for 2002 was revised down \$17.8 billion to \$943.2 billion (table 2 and table A). The relative AGI gap for 2002 was revised to 13.5 percent from 13.7 percent.

Because IRS adjusted gross income for 2002 was unrevised, the entire revision to the 2002 AGI gap is accounted for by the revision to BEA-derived adjusted gross income. The downward revision of BEA-derived adjusted gross income reflects a \$3.0 billion upward revision to BEA's personal income, a \$3.7 billion upward revision to items included in personal income but not in adjusted gross income, and a \$17.1 billion downward revision to items included in adjusted gross income but not in personal income (table A).

The revision to BEA-adjusted gross income can also be viewed as the sum of revisions to BEA data (\$11.0 billion), to IRS data (–\$14.3 billion), and to data that are derived independently of both BEA personal income and IRS adjusted gross income (–\$14.5 billion) (table B).

**Table B. Sources of Revisions to BEA-Derived Adjusted Gross Income**

[Billions of dollars]

	2002
<b>Revisions to BEA-derived adjusted gross income</b> .....	<b>-17.8</b>
<b>Revisions to BEA data</b> .....	<b>11.0</b>
Personal income.....	3.0
Contributions for government social insurance .....	0.1
Less.....	-7.8
Employer contributions for employee pension and insurance funds.....	15.5
Imputed income in personal income.....	-22.0
Gain on internal revenue code section 1231 assets.....	0.1
Inventory valuation and capital consumption adjustments .....	-0.3
Nonfarm proprietors' income .....	-0.2
Excess farm inventories .....	-0.9
Small business corporation dividends .....	-0.1
<b>Revisions to IRS data</b> .....	<b>-14.3</b>
Small business corporation income .....	-14.7
Other types of income.....	0.5
<b>Revisions to reconciliation items derived independently of BEA personal income and IRS adjusted gross income</b> .....	<b>-14.5</b>
Taxable pensions.....	-3.0
Less.....	11.6
Nontaxable transfer payments to persons .....	3.5
Investment income retained by life insurance carriers and pensions plans.....	24.9
Fiduciary income .....	-1.8
Nonprofit income .....	-3.8
IRA-Keogh income excluding capital gains .....	-4.1
Tax-exempt military pay .....	2.1
Tax-exempt interest .....	-7.3
Other items .....	-1.9

NOTE: Details may not add to totals because of rounding.

All the revisions to the estimates of the reconciliation items that are prepared independently of personal income and of adjusted gross income carry through to BEA-derived adjusted gross income (these estimates are derived from source data that are not used to prepare estimates of personal income or adjusted gross income).<sup>3</sup> Revisions to the components of adjusted gross income (parts of lines 9, 12, 14, and 15 of table 2) also carried through to BEA-derived adjusted gross income.

### Estimating the AGI gap

The AGI gap by type of income is estimated in three steps. First, an estimate of BEA-derived adjusted gross income is prepared by adjusting the estimates of BEA personal income to conform to the IRS definition of adjusted gross income. Certain types of income are subtracted from personal income because they are not

included in adjusted gross income (lines 3–9 in tables 1 and 2), and certain types of income are added to personal income to be consistent with adjusted gross income (lines 11–15).

Second, certain types of personal income are reallocated so that BEA-derived estimates of adjusted gross income by type of income conform to the definitions of adjusted gross income (lines 17–20). Certain types of adjusted gross income that are undefined in personal income, such as estate and trust income, are reallocated so that adjusted gross income by type of income conforms to the BEA-derived adjusted gross income (lines 24–26).

Third, the estimates of “AGI reallocated” (line 27) are subtracted from the estimates of BEA-derived adjusted gross income (line 21) to yield an estimate of the AGI gap (line 28).

The relative AGI gap (line 30) is the AGI gap as a percentage of BEA-derived adjusted gross income.

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3. “Carry through” is used to describe a revision to a reconciliation item in personal income or in adjusted gross income that results in a revision to the AGI gap. The revision to a reconciliation item in one measure of income that is not offset by an identical revision to the other measure of income is said to carry through to the AGI gap.

*Tables 1–4 Follow*

Table 1. Comparison of Personal Income With Adjusted Gross Income by Type of Income for 2003

[Billions of dollars]

Line		Personal Income											Income not included in personal income
		Total	Wage and salary disbursements	Proprietors' income with IVA and CCAAdj		Rental income of persons with CCAAdj	Income receipts on assets		Taxable pensions and annuities	Taxable unemployment compensation	Taxable social security <sup>1</sup>	Other personal income <sup>2</sup>	
				Farm	Nonfarm		Personal dividend income	Personal interest income					
1	Personal income .....	9,169.1	5,111.1	27.7	782.4	131.7	421.1	917.6	<sup>3</sup> 3.2	53.9	106.2	1,614.2	0.0
2	Less: Portion of personal income not included in adjusted gross income .....	3,359.9	152.7	19.9	38.0	100.0	260.9	689.8	0.0	0.0	0.0	2,011.1	87.6
3	Nontaxable transfer payments to persons .....	1,180.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,180.1	0.0
4	Employer contributions to pension and insurance funds .....	830.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	830.0	0.0
5	Imputed income in personal income <sup>4</sup> .....	271.8	13.0	0.2	3.0	77.7	0.0	177.9	0.0	0.0	0.0	0.0	0.0
6	Investment income retained by life insurance carriers and pensions plans <sup>5</sup> .....	421.8	0.0	0.0	0.0	2.2	27.2	392.4	0.0	0.0	0.0	0.0	0.0
7	Investment income received by nonprofit institutions and retained by fiduciaries .....	57.8	0.0	0.0	0.5	6.7	21.0	28.5	0.0	0.0	0.0	1.1	0.0
8	Differences in accounting treatment between NIPAs and tax regulations, net .....	127.2	0.0	19.7	34.5	13.4	22.3	37.2	0.0	0.0	0.0	0.0	0.0
9	Other personal income exempt or excluded from adjusted gross income .....	471.3	139.6	0.0	0.0	0.0	190.3	53.8	0.0	0.0	0.0	0.0	<sup>6</sup> 87.6
10	Plus: Portion of adjusted gross income not included in personal income .....	1,439.6	22.0	0.0	4.3	5.1	0.0	0.0	488.9	0.0	0.0	395.9	523.4
11	Contributions for government social insurance .....	396.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	396.6	0.0
12	Net gain from sale of assets .....	294.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	294.0
13	Taxable pensions <sup>7</sup> .....	488.9	0.0	0.0	0.0	0.0	0.0	0.0	488.9	0.0	0.0	0.0	0.0
14	Small business corporation income .....	148.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	148.6
15	Other types of income .....	111.5	22.0	0.0	4.3	5.1	0.0	0.0	0.0	0.0	0.0	-0.7	80.8
16	Plus: Reallocation by type of NIPA income .....	0.0	16.3	0.0	-1.1	0.0	23.5	-23.5	-16.3	0.0	0.0	1.1	0.0
17	Fiduciaries' share of partnership income <sup>8</sup> .....	0.0	0.0	0.0	-1.1	0.0	0.0	0.0	0.0	0.0	0.0	1.1	0.0
18	Interest received by nonfarm proprietors .....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
19	Interest distributed by regulated investment companies .....	0.0	0.0	0.0	0.0	0.0	23.5	-23.5	0.0	0.0	0.0	0.0	0.0
20	Taxable disability income payments .....	0.0	16.3	0.0	0.0	0.0	0.0	0.0	-16.3	0.0	0.0	0.0	0.0
21	Equals: BEA-derived adjusted gross income .....	7,248.8	4,996.8	7.9	747.6	36.8	183.7	204.3	475.8	53.9	106.2	0.0	435.8
22	IRS Adjusted gross income (as reported) .....	6,207.1	4,649.9	-12.4	229.7	29.2	115.1	127.2	372.9	44.0	97.8	117.9	435.8
23	Plus: Reallocation by type of IRS income .....	0.0	0.0	0.0	110.3	7.7	0.0	0.0	0.0	0.0	0.0	-117.9	0.0
24	Estate or trust income .....	0.0	0.0	0.0	4.8	7.7	0.0	0.0	0.0	0.0	0.0	-12.4	0.0
25	Partnership income .....	0.0	0.0	0.0	105.5	0.0	0.0	0.0	0.0	0.0	0.0	-105.4	0.0
26	Other reallocations .....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
27	IRS Adjusted gross income (reallocated) .....	6,207.1	4,649.9	-12.4	339.9	36.9	115.1	127.2	372.9	44.0	97.8	0.0	435.8
28	Adjusted gross income (AGI) gap (line 21 – line 27) .....	1,041.7	346.9	20.3	407.7	-0.1	68.6	77.2	102.9	9.8	8.4	0.0	0.0
29	Percent distribution of AGI gap .....	100.0	33.3	1.9	39.1	0.0	6.6	7.4	9.9	0.9	0.8	.....	.....
30	Relative AGI gap <sup>9</sup> .....	14.4	6.9	257.7	54.5	-0.2	37.3	37.8	21.6	18.3	7.9	.....	.....
31	Addendum: Misreporting adjustment included in personal income .....	423.8	110.4	.....	326.0	1.9	.....	-14.5	.....	.....	.....	.....	.....

1. These benefits also include a social security equivalent benefit portion of tier 1 railroad retirement benefits.

2. Consists primarily of employer contributions for employee pension and insurance funds and nontaxable transfer payments to persons less contributions to government social insurance.

3. Includes tier 2 railroad retirement benefits that are taxed as if the benefits were paid under private employer retirement plans.

4. Consists of all the imputations in personal income in NIPA table 7.12 except employer contributions for health and life insurance premiums; these premiums are included in line 4.

5. Consists of imputed interest received by persons from life insurance carriers (NIPA table 7.11) and the investment income of private and government employee pension plans.

6. Statutory adjustments or specific adjustments ("above-the-line deductions") from total income included to arrive at

adjusted gross income.

7. Consists of the taxable portion of private and government employee retirement plan benefit payments.

8. Consists of partnership income retained by fiduciaries.

9. Adjusted gross income gap (line 28) as a percentage of BEA-derived adjusted gross income (line 21).

BEA Bureau of Economic Analysis

CCAAdj Capital consumption adjustment

IVA Inventory valuation adjustment

IRS Internal Revenue Service

NIPAs National income and product accounts

Table 2. Comparison of Personal Income With Adjusted Gross Income by Type of Income for 2002

[Billions of dollars]

Line		Personal Income											Income not included in personal income
		Total	Wage and salary disbursements	Proprietors' income with IVA and CCAAdj		Rental income of persons with CCAAdj	Income receipts on assets		Taxable pensions and annuities	Taxable unemployment compensation	Taxable social security <sup>1</sup>	Other personal income <sup>2</sup>	
				Farm	Nonfarm		Personal dividend income	Personal interest income					
1	Personal income.....	8,881.9	4,980.9	10.6	757.8	152.9	397.2	936.1	<sup>3</sup> 3.1	54.0	101.6	1,487.7	0.0
2	Less: Portion of personal income not included in adjusted gross income.....	3,243.9	142.8	12.0	57.7	114.4	254.1	713.3	0.0	0.0	0.0	1,872.5	77.2
3	Nontaxable transfer payments to persons.....	1,126.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,126.5	0.0
4	Employer contributions to pension and insurance funds.....	745.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	745.1	0.0
5	Imputed income in personal income <sup>4</sup> .....	294.8	12.1	0.2	2.9	93.2	0.0	186.5	0.0	0.0	0.0	0.0	0.0
6	Investment income retained by life insurance carriers and pensions plans <sup>5</sup> .....	432.0	0.0	0.0	0.0	1.4	41.8	388.8	0.0	0.0	0.0	0.0	0.0
7	Investment income received by nonprofit institutions and retained by fiduciaries.....	60.0	0.0	0.0	0.5	7.8	17.5	33.3	0.0	0.0	0.0	1.0	0.0
8	Differences in accounting treatment between NIPAs and tax regulations, net.....	146.0	0.0	11.8	54.3	12.0	17.7	50.2	0.0	0.0	0.0	0.0	0.0
9	Other personal income exempt or excluded from adjusted gross income.....	439.5	130.7	0.0	0.0	0.0	177.0	54.6	0.0	0.0	0.0	0.0	<sup>6</sup> 77.2
10	Plus: Portion of adjusted gross income not included in personal income.....	1,338.9	24.7	0.0	4.7	4.7	0.0	0.0	462.7	0.0	0.0	383.9	458.1
11	Contributions for government social insurance.....	384.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	384.8	0.0
12	Net gain from sale of assets.....	236.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	236.4
13	Taxable pensions <sup>7</sup> .....	462.7	0.0	0.0	0.0	0.0	0.0	0.0	462.7	0.0	0.0	0.0	0.0
14	Small business corporation income.....	138.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	138.5
15	Other types of income.....	116.5	24.7	0.0	4.7	4.7	0.0	0.0	0.0	0.0	0.0	-0.9	83.2
16	Plus: Reallocation by type of NIPA income.....	0.0	11.5	0.0	-1.0	0.0	38.4	-38.4	-11.5	0.0	0.0	1.0	0.0
17	Fiduciaries' share of partnership income <sup>8</sup> .....	0.0	0.0	0.0	-1.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0
18	Interest received by nonfarm proprietors.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
19	Interest distributed by regulated investment companies.....	0.0	0.0	0.0	0.0	0.0	38.4	-38.4	0.0	0.0	0.0	0.0	0.0
20	Taxable disability income payments.....	0.0	11.5	0.0	0.0	0.0	0.0	0.0	-11.5	0.0	0.0	0.0	0.0
21	Equals: BEA-derived adjusted gross income.....	6,976.8	4,874.2	-1.4	703.9	43.3	181.5	184.4	454.3	54.0	101.6	0.0	381.0
22	IRS Adjusted gross income (as reported).....	6,033.6	4,559.7	-14.4	220.8	29.0	103.2	149.0	357.8	43.3	93.5	110.7	381.0
23	Plus: Reallocation by type of IRS income.....	0.0	0.0	-0.7	103.9	7.4	0.0	0.0	0.0	0.0	0.0	-110.7	0.0
24	Estate or trust income.....	0.0	0.0	0.0	3.8	7.4	0.0	0.0	0.0	0.0	0.0	-11.2	0.0
25	Partnership income.....	0.0	0.0	-0.7	100.1	0.0	0.0	0.0	0.0	0.0	0.0	-99.4	0.0
26	Other reallocations.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
27	IRS Adjusted gross income (reallocated).....	6,033.6	4,559.7	-15.1	324.7	36.4	103.2	149.0	357.8	43.3	93.5	0.0	381.0
28	Adjusted gross income (AGI) gap (line 21 – line 27).....	943.2	314.5	13.7	379.2	6.9	78.2	35.4	96.5	10.7	8.1	0.0	0.0
29	Percent distribution of AGI gap.....	100.0	33.3	1.5	40.2	0.7	8.3	3.7	10.2	1.1	0.9	.....	.....
30	Relative AGI gap <sup>9</sup> .....	13.5	6.5	( <sup>10</sup> )	53.9	15.9	43.1	19.2	21.2	19.8	8.0	.....	.....
31	Addendum: Misreporting adjustment included in personal income.....	401.5	106.5	.....	307.9	1.6	.....	-14.4	.....	.....	.....	.....	.....

1. These benefits also include a social security equivalent benefit portion of tier 1 railroad retirement benefits.

2. Consists primarily of employer contributions for employee pension and insurance funds and nontaxable transfer payments to persons less contributions to government social insurance.

3. Includes tier 2 railroad retirement benefits that are taxed as if the benefits were paid under private employer retirement plans.

4. Consists of all the imputations in personal income in NIPA table 7.12 except employer contributions for health and life insurance premiums; these premiums are included in line 4.

5. Consists of imputed interest received by persons from life insurance carriers (NIPA table 7.11) and the investment income of private and government employee pension plans.

6. Statutory adjustments or specific adjustments ("above-the-line deductions") from total income included to arrive at adjusted gross income.

7. Consists of the taxable portion of private and government employee retirement plan benefit payments.

8. Consists of partnership income retained by fiduciaries.

9. Adjusted gross income gap (line 28) as a percentage of BEA-derived adjusted gross income (line 21).

10. The calculation of the relative AGI gap for farm proprietors' income is not applicable because of a negative value for BEA-derived adjusted gross income.

BEA Bureau of Economic Analysis

CCAAdj Capital consumption adjustment

IVA Inventory valuation adjustment

IRS Internal Revenue Service

NIPAs National income and product accounts

**Table 3. The BEA and IRS Measures of Adjusted Gross Income (AGI) and the AGI Gap by Type of Income for 1990–2003**

[Billions of Dollars]

	BEA-derived adjusted gross income	IRS adjusted gross income	AGI gap	Wage and salary disbursements	Proprietors' income with IVA and CCAAdj		Rental income of persons with CCAAdj	Income receipts on assets			Taxable pensions and annuities	Taxable unemployment compensation	Taxable social security benefits
					Farm	Nonfarm		Total	Personal dividend income	Personal interest income			
1990.....	3,798.4	3,405.4	393.0	106.4	27.7	134.8	4.2	59.2	44.7	14.6	54.5	2.8	3.0
1991.....	3,856.8	3,464.5	392.3	92.1	29.8	138.7	8.2	66.1	45.2	20.9	50.1	3.6	3.2
1992.....	4,092.0	3,629.1	462.9	121.9	30.6	162.7	12.5	65.2	34.4	30.8	56.6	8.3	4.5
1993.....	4,245.4	3,723.3	522.1	139.3	38.1	195.6	12.3	65.4	31.2	34.2	57.1	7.4	6.1
1994.....	4,473.7	3,907.5	566.2	146.1	27.0	214.8	15.4	86.5	48.1	38.4	64.0	3.8	8.0
1995.....	4,759.8	4,189.4	570.4	153.5	36.9	233.1	17.0	49.0	31.2	17.9	68.6	2.6	8.8
1996.....	5,144.5	4,536.0	608.5	178.2	31.2	259.3	16.1	44.8	40.0	4.8	70.2	3.2	7.2
1997.....	5,578.0	4,970.0	608.0	190.2	31.3	264.4	16.4	23.8	43.8	-20.0	71.3	3.1	6.5
1998.....	6,120.2	5,416.0	704.3	227.6	26.3	286.0	15.8	71.0	47.2	23.8	72.2	3.1	2.3
1999.....	6,553.5	5,855.5	698.0	251.1	25.4	322.9	16.6	-5.1	6.3	-11.4	77.0	3.3	6.9
2000.....	7,125.4	6,365.4	760.1	280.8	21.2	368.4	13.8	-17.8	17.1	-34.9	91.4	3.8	7.3
2001.....	7,005.0	6,170.6	834.4	281.8	18.5	377.9	10.2	42.0	39.7	2.3	90.8	5.3	7.7
2002.....	6,976.8	6,033.6	943.2	314.5	13.7	379.2	6.9	113.6	78.2	35.4	96.5	10.7	8.1
2003.....	7,248.8	6,207.1	1,041.7	346.9	20.3	407.7	-0.1	145.7	68.6	77.2	102.9	9.8	8.4

BEA Bureau of Economic Analysis  
 CCAAdj Capital consumption adjustment  
 IRS Internal Revenue Service  
 IVA Inventory valuation adjustment

**Table 4. The Relative AGI Gap by Type of Income for 1990–2003**

[Percent]

	Total relative AGI gap	Wage and salary disbursements	Proprietors' income with IVA and CCAAdj		Rental income of persons with CCAAdj	Income receipts on assets			Taxable pensions and annuities	Taxable unemployment compensation	Taxable social security benefits	Addenda	
			Farm	Nonfarm		Total	Personal dividend income	Personal interest income				The sum of income items except wages, subject to the requirements for filing information returns <sup>1</sup>	The sum of income items not subject to the requirements for filing information returns <sup>2</sup>
1990.....	10.3	3.9	96.1	44.0	38.5	16.2	35.8	6.0	25.5	15.5	13.2	19.2	48.1
1991.....	10.2	3.3	105.2	44.5	50.4	18.7	36.9	9.1	22.1	13.5	13.1	19.5	49.6
1992.....	11.3	4.2	103.8	45.7	49.4	21.3	30.6	15.9	23.3	21.0	16.2	21.8	50.1
1993.....	12.3	4.6	107.9	49.8	42.0	23.7	28.1	20.7	22.8	21.0	20.0	22.9	53.7
1994.....	12.7	4.6	134.4	50.5	43.3	29.3	36.9	23.3	23.8	15.8	17.2	25.6	53.5
1995.....	12.0	4.6	125.7	51.7	43.8	16.4	24.8	10.3	23.7	11.8	16.2	19.4	55.3
1996.....	11.8	5.0	127.7	52.2	38.0	14.2	27.7	2.8	22.7	14.0	12.0	17.7	54.4
1997.....	10.9	5.0	125.2	51.0	36.7	7.5	26.7	-13.2	21.5	15.3	9.5	14.2	53.1
1998.....	11.5	5.5	141.5	50.7	35.3	19.3	28.5	11.8	20.5	15.5	3.2	18.3	52.3
1999.....	10.7	5.7	129.5	52.2	36.3	-1.7	4.5	-6.9	20.2	15.7	8.4	10.4	53.3
2000.....	10.7	5.9	174.1	54.9	29.8	-5.4	10.4	-21.3	21.9	18.3	7.5	9.8	55.3
2001.....	11.9	5.8	242.7	54.6	20.2	11.7	25.0	1.1	21.1	16.4	7.6	15.8	54.2
2002.....	13.5	6.5	( <sup>3</sup> )	53.9	15.9	31.0	43.1	19.2	21.2	19.8	8.0	23.5	53.6
2003.....	14.4	6.9	257.7	54.5	-0.2	37.6	37.3	37.8	21.6	18.3	7.9	26.1	54.0

1. Consists of personal dividend income, personal interest income, taxable pensions, taxable unemployment compensation, and taxable social security benefits. These types of income have been subject to varying degrees of withholding since 1984.

2. Consists of farm proprietors' income, nonfarm proprietors' income, and rental income of persons.

3. The calculation of the relative AGI gap for farm proprietors' income is not applicable because of a negative value for BEA-derived adjusted gross income.

NOTE: The relative AGI gap is the AGI gap as a percentage of the BEA-derived adjusted gross income; see line 31 in tables 1 and 2.

AGI Adjusted gross income  
 CCAAdj Capital consumption adjustment  
 IVA Inventory valuation adjustment